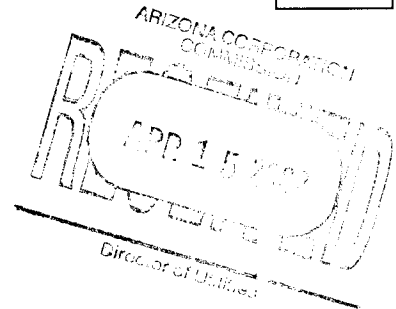


4-17-02 assessment db updated cm

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-01392A  
OAK CREEK WATER COMPANY  
90 OAK CREEK BLVD  
SEDONA AZ 86336-0000



**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2001
----	----	------

FOR COMMISSION USE

ANN04	01
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Processed by:

4-17-02 cm

SCANNED

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Oak Creek Water Co. No.1</u>		
Mailing Address <u>90 Oak Creek Blvd.</u>		
(Street)		
<u>Sedona, AZ 86336</u>		
(City)	(State)	(Zip)
<u>(928) 282-3404</u>	<u>(928) 282-3404</u>	<u>(928) 300-3835/ 300-3838</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>ocw@kachina.net</u>		
Local Office Mailing Address _____		
(Street)		
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>John Madzik</u> <u>president</u>		
(Name)		(Title)
<u>55 Ross Circle, Sedona, AZ 86336</u>		
(Street)	(City)	(State) (Zip)
<u>(928) 282-5431</u>	<u>(928) 282-3404</u>	<u>(928) 300-3838</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>ocw@kachina.net</u>		
<b>On Site Manager:</b> <u>Steve Yerich</u>		
(Name)		
<u>2860 Hwy 179, Sedona, AZ 86336</u>		
(Street)	(City)	(State) (Zip)
<u>(928) 282-7084</u>	<u>(928) 282-3404</u>	<u>(928) 300-3835</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>ocw@kachina.net</u>		

**Statutory Agent:** Ronald N. Rovey

(Name)

1785 W. Highway 89A, Ste. 3-I, Sedona, AZ 86336

(Street)

(City)

(State)

(Zip)

(928) 282-1155

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** same as Statutory Agent

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☒ **Association/Co op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☒ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization			
302	Franchises	4,277	1,354	2,923
303	Land and Land Rights	14,176	-	14,176
304	Structures and Improvements	224,673	47,322	177,352
307	Wells and Springs	94,538	15,753	78,785
311	Pumping Equipment	23,681	23,681	-
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	160,246	110,556	49,690
331	Transmission and Distribution Mains	568,888	337,421	231,467
333	Services	13,259	8,428	4,831
334	Meters and Meter Installations	22,957	20,292	2,665
335	Hydrants	5,759	4,359	1,400
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,096	2,219	1,877
341	Transportation Equipment	25,636	23,499	2,137
343	Tools, Shop and Garage Equipment	45,104	47,270	(2,166)
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	20,329	14,204	6,125
347	Miscellaneous Equipment	1,493	1,478	15
348	Other Tangible Plant	-	-	-
	<b>TOTALS</b>	1,229,113	657,837	571,276

**CALCULATION OF DEPRECIATION EXPENSES FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1 x 2)</b>
301	Organization Costs			
302	Franchises	4,277	0.00%	-
303	Land and Land Rights	14,176	0.00%	-
304	Structures and Improvements	224,673	3.33%	7,482
307	Wells and Springs	94,538	3.33%	3,148
311	Pumping Equipment	23,681	12.50%	1,289
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	160,246	2.22%	3,557
331	Transmission and Distribution Mains	568,888	2.00%	11,378
333	Services	13,259	3.33%	442
334	Meters and Meter Installations	22,957	8.33%	1,912
335	Hydrants	5,759	2.00%	115
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,096	6.67%	273
341	Transportation Equipment	25,636	20.00%	5,127
343	Tools, Shop and Garage Equipment	45,104	5.00%	2,255
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	20,329	10.00%	2,033
347	Miscellaneous Equipment	1,493	10.00%	149
348	Other Tangible Equipment	-		-
	<b>TOTALS</b>	<b>1,229,113</b>		<b>39,161</b>

**COMPANY NAME: Oak Creek Water Co. No. 1**

**BALANCE SHEET**

<b>Acct. No.</b>	<b>ASSETS</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 18,503	\$ 43,399
134	Working Funds		
135	Temporary Cash Investments	82,208	115,727
141	Customer Accounts Receivable	16,030	15,365
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	8,187	8,582
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	1,236	3,762
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 126,164	\$ 186,834
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 1,057,480	\$ 1,229,113
103	Property Held for Future Use		
105	Construction Work in Progress	170,292	-
108	Accumulated Depreciation - Utility Plant	(618,676)	(657,837)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 609,096	\$ 571,276
	<b>TOTAL ASSETS</b>	\$ 735,260	\$ 758,110

**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ -	\$ -
232	Notes Payable (Current)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	2,360	2,120
237	Accrued Taxes	7,995	8,141
241	Miscellaneous Current and Accrued Liabilities	6,849	7,295
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 17,204	\$ 17,556
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long Term Note & Bonds	\$ -	\$ -
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$ -	\$ -
252	Advances in Aid of Construction	218,245	218,245
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	355,130	355,130
272	Less: Amortization of Contributions	(247,640)	(247,640)
281	Accumulated Deferred Income Tax		
	<b>Total Deferred Credits</b>	\$ 325,735	\$ 325,735
	<b>Total Liabilities</b>	\$ 342,939	\$ 343,291
201	Common Stock Issued	\$ -	\$ -
211	Paid in Capital in Excess of Par Value	17,605	17,605
215	Retained Earnings	374,716	397,214
218	Property Capital (Sole Props and Partnerships)	-	-
	<b>Total Capital</b>	\$ 392,321	\$ 414,819
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 735,260	\$ 758,110

**COMPARATIVE STATEMENT OF INCOME AND EXPENSES**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 223,625	\$ 222,493
460	Unmetered Water Revenue		
474	Other Water Revenues	9,152	12,145
	<b>TOTAL REVENUES</b>	<b>\$ 232,777</b>	<b>\$ 234,638</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 71,439	\$ 78,027
610	Purchased Water		
615	Purchased Power	39,599	33,574
618	Chemicals		
620	Repairs and Maintenance	5,004	11,956
621	Office Supplies and Expenses	8,570	7,787
630	Outside Services	10,666	4,530
635	Water Testing	372	5,563
641	Rents	3,026	75
650	Transportation Expenses	1,610	2,298
655	Insurance - General Liability	3,610	3,846
658	Insurance - Health and Life	3,231	4,341
666	Regulatory Commission Expense - Rate Case	200	4,025
675	Miscellaneous Expense	976	3,046
403	Depreciation Expense	42,982	39,161
408	Taxes Other Than Income	5,720	6,209
408.11	Property Taxes	11,956	11,140
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 208,961</b>	<b>\$ 215,578</b>
	<b>OTHER INCOME/EXPENSES</b>		
419	Interest and Dividend Income	\$ 5,333	\$ 3,519
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(146)	(81)
	<b>Total Other Income/Expenses</b>	<b>\$ 5,187</b>	<b>\$ 3,438</b>
	<b>Net Income/Loss</b>	<b>\$ 29,003</b>	<b>\$ 22,498</b>



**COMPANY NAME**      Oak Creek Water Co. No. 1

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	N/A			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End                      \$      -0-

Meter Deposits Refunded During the Test Year              \$      -0-

**COMPANY NAME** Oak Creek Water Co. No. 1

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-603919	30	130	8" - 7"	3"
55-603920	20	80	8" - 7"	3"
55-562092	75	325	10"	4"

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 95,521,700

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	2	46	
10	2		
10	2		
5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
150,000	1	5,000	1
84,000	1	1,600	1
60,000	2	1,500	1

## STATISTICAL INFORMATION

Total number of customers	676	
Total number of gallons sold	85,400,300	gallons

COMPANY NAME Oak Creek Water Co. No. 1 YEAR ENDING 12/31/2001

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported -0-  
Estimated or Actual Federal Tax Liability -0-

State Taxable Income Reported -0-  
Estimated or Actual State Tax Liability -0-

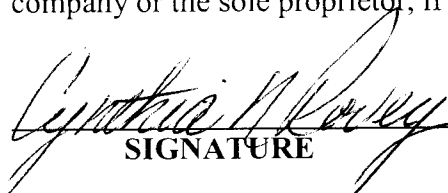
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances -0-  
Amount of Gross-Up Tax Collected -0-  
Total Grossed-Up Contributions/Advances -0-


Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

4/12/02  
DATE

  
PRINTED NAME

Secretary/Treasurer  
TITLE

**COMPANY NAME** Oak Creek Water Co. No. 1 **YEAR ENDING 12/31/2001**

**WATER AND SEWER  
UTILITIES ONLY**

**PROPERTY TAXES**

**Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)**

\$ 11,501.51

**Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.**

**If no property taxes paid, explain reasons below:**

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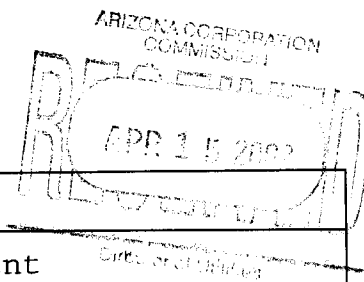
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**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**



**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Yavapai</u>
NAME (OWNER OR OFFICIAL) TITLE <u>John Madzik</u> <u>president</u>
COMPANY NAME <u>Oak Creek Water Co. No. 1</u>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

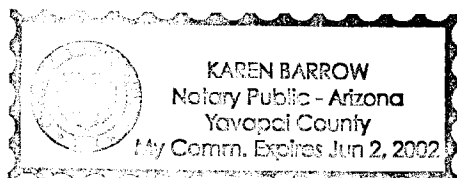
**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2001</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:



Arizona IntraState Gross Operating Revenues Only (\$)

\$ 258,256

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 20,098  
IN SALES TAXES BILLED, OR COLLECTED

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

*Cynthia N. Kovey*  
SIGNATURE OF OWNER OR OFFICIAL  
TELEPHONE NUMBER \_\_\_\_\_

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12<sup>th</sup>

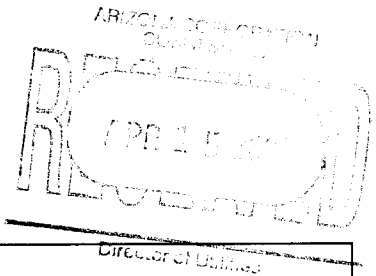
DAY OF

(SEAL)

MY COMMISSION EXPIRES June 2, 2002

COUNTY NAME <u>Yavapai</u>	
MONTH <u>April</u>	<u>2002</u>
<u><i>Karen Barrow</i></u> SIGNATURE OF NOTARY PUBLIC	

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Yavapai	
NAME (OWNER OR OFFICIAL) John Madzik	TITLE president
COMPANY NAME Oak Creek Water Co. No. 1	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2001

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

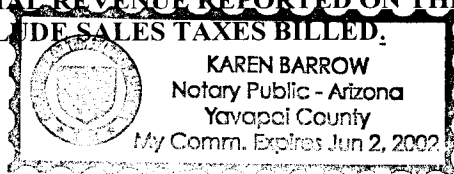
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 160,119

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 12,461  
IN SALES TAXES BILLED, OR COLLECTED

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED:**



X Cynthia M. Raley  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12<sup>th</sup>

DAY OF

(SEAL)

MY COMMISSION EXPIRES June 2, 2002

NOTARY PUBLIC NAME Karen Barrow	
COUNTY NAME Yavapai	
MONTH April	.20 02

X Karen Barrow  
SIGNATURE OF NOTARY PUBLIC

200  
212

5105

**OAK CREEK WATER CO., NO. 1**

90 OAK CREEK BLVD.  
SEDONA, AZ 86336  
(520) 282-3404

BANK OF AMERICA

91-170/1221

4/17/2001

**PAY**

TO THE  
ORDER OF

Yavapai Cnty Treasurer

\$ \*\*5,553.97

**DOLLARS**

Five Thousand Five Hundred Fifty-Three and 97/100\*\*\*\*\*

Yavapai Cnty Treasurer  
1015 Fair Street  
Prescott, AZ 86305

MEMO

918-70-976, 918-70-976

2000 2nd half property taxes

*Cynthia M. Roney*  
AUTHORIZED SIGNATURE

⑈005105⑈ ⑆122101706⑆ 000252410980⑈

⑈0000555397⑈

Security features. Details on back.

FOR DEPOSIT ONLY

04 10 01

YAVAPAI  
COUNTY  
TREASURER

APR 30 01

APR 30 2001  
10:14 AM  
FBI

0107 56175

05/01/01 E2464 01 P01

3550763497

152056649



5255

**OAK CREEK WATER CO., NO. 1**

90 OAK CREEK BLVD.  
SEDONA, AZ 86336  
(928) 282-3404

BANK OF AMERICA, ARIZONA

91-170/1221

10/15/2001

**PAY**

TO THE  
ORDER OF

Yavapai Cnty Treasurer

\$ \*\*5,947.54

Five Thousand Nine Hundred Forty-Seven and 54/100\*\*\*\*\*

**DOLLARS**

Yavapai Cnty Treasurer  
1015 Fair Street  
Prescott, AZ 86305

*Cynthia A. Perry*  
AUTHORIZED SIGNATURE MP

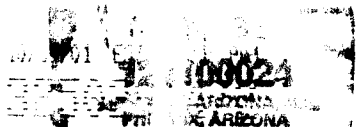
MEMO

408-26-500, 918-70-976, 918-70-970

⑈005255⑈ ⑆122101706⑆ 000252410980⑈

⑈0010594754⑈

10611001 YAVAPAI CREDIT TO FAVOR OF  
C1000 FREE ENDORSEMENT OF TWENTY  
20030224 BANK ONE, PHOENIX, AZ  
1221-000004



859197148